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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, February 7, 2002

APPLICATION OF

CASE NO. PUA010078

WOODROAM WATER COMPANY, INC.

and

WOODROAM WATER WORKS, INC.

For approval of utility transaction

ORDER GRANTING APPROVAL

On December 12, 2001, Woodroam Water Company, Inc. (“Woodroam Water Company”), and Woodroam Water Works, Inc. (“Woodroam Water Works”), (collectively, the “Applicants”) filed an application with the State Corporation Commission (“Commission”) under the Utility Transfers Act requesting approval for Woodroam Water Company to acquire the Woodroam water system from Woodroam Water Works.

Woodroam Water Works currently serves twenty-nine connections in the Woodroam subdivision located in Pittsylvania County, Virginia. Woodroam Water Works has been operated as a community water works since the 1970s and was incorporated on November 15, 1992.

Woodroam Water Company is a newly formed company operated by Petrus Environmental Services, Inc. (“Petrus Environmental”). Petrus Environmental, headquartered in Roanoke, Virginia, provides professional management, administration, operation, and maintenance services to the water and wastewater utility industry.

The Applicants request authority for Woodroam Water Company to acquire the Woodroam water system from Woodroam Water Works. As a result of this transaction, all certain real property and personal property comprising the water system will be transferred to Woodroam Water Company. The assets to be transferred include two wells, treatment buildings, pipes, tanks, distribution mains, meters, easements, operational equipment, and dedicated lots.

The original cost of the Woodroam water system assets is \$70,000.00. The Applicants state that this transaction is the result of Woodroam Water Works' desire to rid itself of the obligation and responsibility of owning and operating the water treatment system. Due to the age of the system, the limited number of connections and the level of annual revenues and expenses, the assets were transferred at no cost.

Woodroam Water Company will continue to operate the water system after the transfer and will serve Woodroam Water Works' connected customers. Petrus Environmental is currently the operator of Woodroam Water Company and will provide the water system with contract operation, maintenance, and administrative services after the acquisition.

THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the above-described acquisition of utility assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Woodroam Water Company is hereby granted authority to acquire the Woodroam water system utility assets from Woodroam Water Works as described herein.

- 2) Applicants shall submit to the Commission's Director of Public Utility Accounting a report of the action taken pursuant to the approval granted herein within thirty days of the transaction taking place, subject to extension by the Director of Public Utility Accounting. Such report shall include the date the acquisition took place, the actual sales price, and the actual accounting entries reflecting the transaction.
- 3) The approval granted herein shall have no ratemaking implications.
- 4) There appearing nothing further to be done in this matter, it hereby is dismissed.